

I hereby certify that this petition is being submitted via EFS to the U.S. Patent and Trademark Office on the date shown below:

PATENT

Attorney Docket No.: CB-07-2

On 6-12-09
By Angela Lodrig
Angela Lodrig

IN THE UNITED STATES PATENT AND TRADEMARK OFFICE

In re application of: Michael A. Baker et al.

Examiner: Mendez, Manuel A.

Application No.: 09/586,295

Art Unit: 3763

Filed: June 2, 2000

Confirmation No.: 6892

For: SYSTEM FOR ELECTROSURGICAL
TISSUE TREATMENT IN THE
PRESENCE OF ELECTRICALLY
CONDUCTIVE FLUID

**PETITION UNDER 37 C.F.R. §1.183
SUSPENSION OF RULES**

Mail Stop PETITION
Commissioner for Patents
P.O. Box 1450
Alexandria, VA 22313-1450

Dear Sir:

Applicants respectfully submit this petition under 37 C.F.R. §1.183 requesting the Director to suspend or waive the requirement of joint inventor Stephen M. Brunell to sign the supplemental declaration for the above-identified patent application. Applicants submit a supplemental declaration to correct the clause "material to examination" to --material to patentability--, in accordance with 37 C.F.R. §1.63. All other joint inventors have properly executed the Supplemental Declaration submitted herewith.

Applicants have made a diligent effort in requesting Stephen M. Brunell to execute the supplemental declaration attached hereto. In support of the present petition, Applicants enclose the following documentation and the corresponding Statement of Facts describing the circumstances of Mr. Brunell's refusal to sign the supplemental declaration:

- 1) A copy of the executed Supplemental Declaration as required by 37 CFR §1.63, §1.64 and §1.67, signed by all inventors except Stephen M. Brunell.
- 2) A copy of the letter mailed to Stephen M. Brunell on May 4, 2009, with a copy of the Federal Express shipment label.
- 3) A copy of the FedEx Shipment delivery confirmation dated May 6, 2009.
- 4) A copy of the email exchange between Stephen M. Brunell and Matthew Scheele dated June 3 to June 5, 2009.
- 5) A copy of the ArthroCare Corporation Proprietary Information Agreement signed by Stephen M. Brunell on May 19, 1997.
- 6) A copy of the USPTO Notice of Recordation of Assignment mailed February 5, 2009, with a copy of the fully executed assignment.

Applicants believe if this petition is not granted it will fail to preserve the rights of the parties that hold a proprietary interest and will cause irreparable damage since the instant application claims priority to U.S. Patent Application Nos. 09/248,763 filed February 12, 1999; 08/795,686 filed February 5, 1997; 08/561,958 filed November 22, 1995; 60/096,150 filed August 11, 1998; and to 60/098,122 filed August 27, 1998.

All statements made herein of my own knowledge are true, all statements made herein on information and belief are believed to be true, and further that these statements were made with the knowledge that willful false statements and the like are punishable by fine or imprisonment, or both, under 18 U.S.C. 1001, and may jeopardize the validity of the application or any patent issuing thereon.

Enclosures:

- 1) Statement of Facts in Support of the Petition Under 37 CFR §1.183
- 2) Supporting Documentary Evidence

I hereby certify that this statement of facts is being submitted via EFS to the U.S. Patent and Trademark Office on the date shown below:

PATENT

Attorney Docket No.: CB-07-2

On 6-12-09
By Angela Lodig
Angela Lodig

IN THE UNITED STATES PATENT AND TRADEMARK OFFICE

In re application of: Michael A. Baker et al.

Examiner: Mendez, Manuel A.

Application No.: 09/586,295

Art Unit: 3763

Filed: June 2, 2000

Confirmation No.: 6892

For: SYSTEM FOR ELECTROSURGICAL
TISSUE TREATMENT IN THE
PRESENCE OF ELECTRICALLY
CONDUCTIVE FLUID

**STATEMENT OF FACTS IN
SUPPORT OF THE
PETITION UNDER 37 C.F.R. §1.183**

Mail Stop PETITION
Commissioner for Patents
P.O. Box 1450
Alexandria, VA 22313-1450

Dear Sir:

In support of the petition filed under 37 C.F.R. §1.183 in the above-identified patent application, Applicants respectfully submit the following statement of facts regarding joint inventor Stephen M. Brunell's refusal to sign the supplemental declaration.

On April 2, 2009, a Notice of Allowance was mailed in the above patent application. In Applicants review of the file after the Notice of Allowance was received it was determined that a Supplemental Declaration was required in order to correct the clause "material to examination" to read "material to patentability" in accordance with 37 C.F.R. §1.63.

On May 4, 2009, a copy of the Supplemental Declaration along with a copy of the patent application, figures, and the claims as allowed was mailed to Mr. Stephen M. Brunell via a FedEx envelope and addressed to 1921 E. Shoreview Dr., San Ramon, California 94582, Federal Express tracking number 796574937091. (a copy of the letter mailed May 4, 2009, and the FedEx label are attached hereto.)

On May 6, 2009, Applicants received an electronic verification from Federal Express that the FedEx envelope was delivered to Mr. Brunell and signed for by Mr. Brunell, a copy of which is attached.

On June 2, 2009, a voice message was left for Mr. Brunell at 925-968-1817 asking if he received the FedEx envelope and that if he had any questions regarding the matter to please call Angela Loding at 512-391-3931.

On June 3, 2009, an email was received from Mr. Brunell stating that he received the FedEx package in May and also received the voicemail on June 2, 2009. Mr. Brunell stated that he does "not have any financial incentive to do any work for ArthroCare but would be happy to do so with appropriate remuneration." He continues on to mention that if ArthroCare would like for him to read and return the documents that his "consulting billing rate is \$250 per hour with a 2 hour minimum paid in advance." **(a copy of the email is attached hereto.)**

On June 3, 2009, Applicants attorney responded to Mr. Brunell's email reminding him of his on going contractual obligation to execute and return the requested document pursuant to the Proprietary Information Agreement he signed with Applicants' Assignee ArthroCare Corporation, a copy of which is enclosed. **(a copy of the email is attached hereto.)**

On June 4, 2009, Mr. Brunell responded again requesting "remuneration" be sent to him before he will sign the Supplemental Declaration.

On June 5, 2009, Mr. Brunell responded again outlining in detail his "reasons for request of remuneration" as basis for refusing to execute the required Supplemental Declaration.

All statements made herein of my own knowledge are true, all statements made herein on information and belief are believed to be true, and further that these statements were made with the knowledge that willful false statements and the like are punishable by fine or imprisonment, or both, under 18 U.S.C. 1001, and may jeopardize the validity of the application or any patent issuing thereon.

Respectfully submitted,



Matthew Scheele
Patent Attorney
ArthroCare Corporation

Date: 6/10/09

SUPPLEMENTAL DECLARATION

As the below named inventor(s), I/we declare that:

This declaration is directed to:

- ☐ The attached application entitled: SYSTEM FOR ELECTROSURGICAL TISSUE TREATMENT IN THE PRESENCE OF ELECTRICALLY CONDUCTIVE FLUID, or
- ☒ Application No. 09/586,295, filed on June 2, 2000,
☒ as amended on February 9, 2009;

I/we believe that I/we am/are the original and first inventor(s) of the subject matter which is claimed and for which a patent is sought;

I/we have reviewed and understand the contents of the above-identified application, including the claims, as amended by any amendment specifically referred to above; and I/we acknowledge the duty to disclose to the United States Patent and Trademark Office all information known to me/us to be material to patentability as defined in 37 CFR §1.56;

I hereby claim foreign priority benefits under 35 U.S.C. §119 of any foreign application(s) for patent or inventor's certificate listed below and have also identified below any foreign application(s) for patent or inventor's certificate having a filing date before that of the application on which priority is claimed:

<u>Number</u>	<u>Country</u>	<u>Date Filed</u>	<u>Priority Claimed (Yes) (No)</u>
NONE			

I/we hereby claim the benefit under 35 U.S.C. §120 of any United States application(s) listed below and, insofar as the subject matter of each of the claims of this application is not disclosed in the prior United States application(s) in the manner provided by the first paragraph of 35 U.S.C. §112, I/we acknowledge the duty to disclose to the United States Patent and Trademark Office all information known to me/us to be material to patentability as defined in 37 CFR §1.56 which became available between the filing date of the prior application(s) and the National or PCT International filing date of this application:

<u>Application Serial Number</u>	<u>Date Filed</u>	<u>Status</u>
09/248,763	February 12, 1999	Granted
08/765,686	February 5, 1997	Granted
08/561,958	November 22, 1995	Granted

I/we hereby claim the benefit under 35 U.S.C. §119(e) of United States provisional application numbers 60/096,150 filed August 11, 1998, and 60/098,122 filed August 27, 1998.

All statements made herein of my/our own knowledge are true, all statements made herein on information and believe are believed to be true, and further that these statements were made with the knowledge that willful false statements and the like are punishable by fine or imprisonment, or both, under 18 U.S.C. 1001, and may jeopardize the validity of the application or any patent issuing thereon.

Title of Invention:

SYSTEM FOR ELECTROSURGICAL TISSUE
TREATMENT IN THE PRESENCE OF
ELECTRICALLY CONDUCTIVE FLUID

Inventor 1:


MICHAEL A. BAKER

Date:

5/4/09

Citizenship:

U.S.

City of Residence:

Austin

Country of Residence:

U.S.

Mailing Address:

1310 Barton Creek Blvd.
Austin, TX 78735

Title of Invention:

SYSTEM FOR ELECTROSURGICAL TISSUE
TREATMENT IN THE PRESENCE OF
ELECTRICALLY CONDUCTIVE FLUID

Inventor 2:

STEPHEN M. BRUNELL

Date:

Citizenship:
City of Residence:
Country of Residence:
Mailing Address:

U.S.
San Ramon
U.S.
1921 E. Shoreview Dr.
San Ramon, CA 94582

Title of Invention:

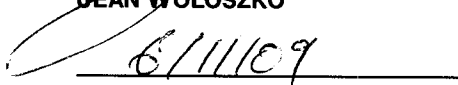
SYSTEM FOR ELECTROSURGICAL TISSUE
TREATMENT IN THE PRESENCE OF
ELECTRICALLY CONDUCTIVE FLUID

Inventor 3:



JEAN WOŁOSZKO

Date:



6/11/09

Citizenship:

France

City of Residence:

Austin

Country of Residence:

U.S.

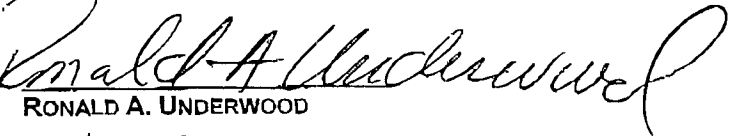
Mailing Address:

4 Wren Valley Cove
Austin, TX 78746

Title of Invention:

SYSTEM FOR ELECTROSURGICAL TISSUE
TREATMENT IN THE PRESENCE OF
ELECTRICALLY CONDUCTIVE FLUID

Inventor 4:


RONALD A. UNDERWOOD

Date:

4/30/09

Citizenship:

U.S.

City of Residence:

Belmont

Country of Residence:

U.S.

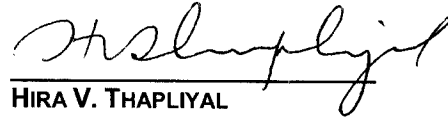
Mailing Address:

3236 Upper Lock Avenue
Belmont, CA 94002

Title of Invention:

SYSTEM FOR ELECTROSURGICAL TISSUE
TREATMENT IN THE PRESENCE OF
ELECTRICALLY CONDUCTIVE FLUID

Inventor 5:


HIRA V. THAPLIYAL

Date:

May 1, 2009

Citizenship:

U.S.

City of Residence:

Los Altos

Country of Residence:

U.S.

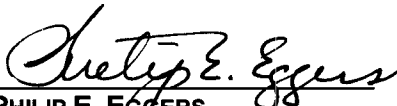
Mailing Address:

262 Covington Road
Los Altos, CA 94024

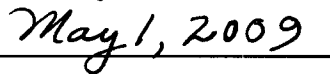
Title of Invention:

SYSTEM FOR ELECTROSURGICAL TISSUE
TREATMENT IN THE PRESENCE OF
ELECTRICALLY CONDUCTIVE FLUID

Inventor 6:


PHILIP E. EGGERS

Date:


May 1, 2009

Citizenship:

U.S.

City of Residence:

Dublin

Country of Residence:

U.S.

Mailing Address:

4140 Tuller Road, Suite 104
Dublin, OH 43017



May 4, 2009

Via Federal Express

Mr. Stephen M. Brunell
1921 E. Shoreview Dr.
San Ramon, CA 94582

Re: **Supplemental Patent Declaration for your signature**
Patent Application Entitled: *System for Electrosurgical Tissue Treatment in the Presence of Electrically Conductive Fluid*
Our File No.: CB-07-2

Dear Mr. Brunell:

This is in regards to one of your patent applications filed with ArthroCare Corporation entitled *System for Electrosurgical Tissue Treatment in the Presence of Electrically Conductive Fluid*. We require your signature on the enclosed Supplemental Declaration for one of the continuing applications that was recently allowed, which means the patent will issue soon. Also enclosed for your reference is a copy of the patent application, figures and the claims as allowed.

Please review, sign and date the Supplemental Declaration were indicated. If your address is incorrect, please cross it out and write in your current address by also initialing and dating the change.

Please return a copy of the executed Supplemental Declaration to me via email (angela.loding@arthrocare.com) or via facsimile (512-391-3901). Please also mail the original executed document to me at your earliest convenience.

Should you have any questions concerning this matter, please do not hesitate to call me at the phone number listed below.

Thank you,

A handwritten signature in cursive script that reads "Angela Loding".

Angela Loding
Intellectual Property Paralegal
Direct (512) 391-3931

Enclosures

From: Origin ID: MMRA (512) 391-3931
 Angela Loding, IP Paralegal
 ArthroCare Corporation
 7500 Rialto Blvd.
 Building Two, Suite 100
 Austin, TX 78735



J96110961362623

SHIP TO: (925) 939-6177
Stephen M. Brunell

BILL SENDER

1921 E SHOREVIEW DR

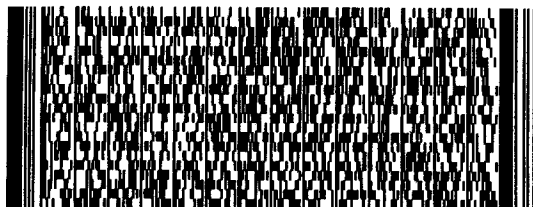
SAN RAMON, CA 94582

Ship Date: 04MAY09
 ActWgt: 0.5 LB
 CAD: 7100540/INET9011
 Account#: S *****

Delivery Address Bar Code



Ref # Suppl Decl (CB-07-2)
 Invoice #
 PO #
 Dept #



TRK#
 0201 7965 7493 7091

WED - 06MAY A2
 ** 2DAY **
 ASR RES

94582
 CA-US
 OAK

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Angela Loding

From: TrackingUpdates@fedex.com
Sent: Wednesday, May 06, 2009 2:53 PM
To: Angela Loding
Subject: CB-07-2 FedEx Shipment 796574937091 Delivered

This tracking update has been requested by:

Company Name: ArthroCare Corporation
Name: Angela Loding, IP Paralegal
E-mail: angela.loding@arthrocare.com

Our records indicate that the following shipment has been delivered:

Reference: Suppl Decl (CB-07-2)
Ship (P/U) date: May 4, 2009
Delivery date: May 6, 2009 12:47 PM
Sign for by: S.BRUNELL
Delivered to: Residence
Service type: FedEx 2Day
Packaging type: FedEx Envelope
Number of pieces: 1
Weight: 1.00 lb.
Special handling/Services: Residential Delivery
Adult Signature Required
Deliver Weekday

Tracking number: 796574937091

Shipper Information	Recipient Information
Angela Loding, IP Paralegal	Stephen M. Brunell
ArthroCare Corporation	1921 E SHOREVIEW DR
7500 Rialto Blvd.; Building Two,	SAN RAMON
Suite 100	CA
Austin	US
TX	94582
US	
78735	

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6/5/2009

Thank you for your business.

Matt Scheele

From: Steve Brunell [brunells@sbcglobal.net]
Sent: Friday, June 05, 2009 5:14 AM
To: Matt Scheele
Cc: Steve Brunell
Subject: Arthrocare Supplemental Patent Declaration Requests and Request For Remuneration
Importance: High

Matt Scheele
Patent Attorney | ArthroCare Corporation
7500 Rialto Blvd. | Building II, Suite 100 | Austin, TX 78735
512.358.5925 (direct) | 512.284.3427 (mobile) | 512.391.3990 (fax)

June 5, 2009

Mr. Scheele,

Your email correspondence has unfortunately forced me to waste more uncompensated time to set the record straight and explain my position further in good faith and my reasons for request of remuneration for any current or future patent consulting services.

To date, I have not made any request for such remuneration in the last 9 1/2 years since my departure from Arthrocare on December 31, 1999. Any reasonable party would conclude that this has been very generous of my efforts for at least 7 or 8 patents issued so far with their ongoing maintenance documentation that periodically arrives at my home office and subsequent review time and mailing expenses.

During this period, I have very unwisely and irresponsibly signed legally binding supplemental patent applications and international applications then returned them to Arthrocare in good faith without a comprehensive review of their contents typically because I did not have the time to review or there was never any clear documentation provided to me of exactly what changes have been made to any particular patent application related document.

The uncompensated and what I now consider to be an irresponsible policy regarding my relationship with Arthrocare of the past 9 1/2 years has ended. Going forward, I will now be reviewing every document in detail that Arthrocare asks me to sign as well as asking questions before signing if required. This will require phone calls, faxes, requests for additional documentation, and postal or Fed Ex shipping services. I am a medical device engineering consultant by profession and my professional services are not free to any client.

To re-emphasize my point stated in the above paragraph, I will not simply be a "cooperative inventor" as you might term it such that I put my signature and name for the benefit of Arthrocare in a legally binding manner. If I need to remind you, please refer to the last paragraph of the current Arthrocare file numbers CB-07-2 (May 4, 2009 correspondence) and D-10 (May 11, 2009 correspondence) that Arthrocare has requested me to sign, which states "...with the knowledge that willful false statements and the like are punishable by fine or imprisonment, or both under 18 U.S.C. 1001...". I would hope that the aforementioned statement makes my position quite clear.

6/10/2009

Recent news events in the press have come to my knowledge regarding Arthrocare Inc. being delisted from the NASDAQ stock exchange due to possible accounting fraud and the recent dismissal of Michael A. Baker as President who is a co-inventor listed on the supplemental patent applications in question that you (Arthrocare) are requesting me to sign. Other recent press has indicated that Arthrocare will have to issue earnings restatements dating back to the year 2000. It has also come to my attention in the press that there are ongoing SEC investigations as well as investigations by US Attorney offices of some past or current members of the Arthrocare executive management team that could include Michael A. Baker. This has left me with no option but to doubt any legally binding document that I sign for your company without a very thorough and properly compensated review.

I can not and will not make any prejudiced judgment on any possible crimes committed by current or former Arthrocare management, since do not have the facts but would hope to you understand my position in regard to reading anything that I sign for your company.

To conclude, as my email correspondence indicates (see below dated June 3, 2009 4:33 PM and June 4, 2009 12:52 PM), I have made a sincere and very amicable good faith request to Arthrocare for remuneration for ongoing patent consulting services at my current engineering consulting billing rate of \$250 per hour with a 2 hour minimum per project. Alternatively and at your request, I will return the original documents that I received with copies forwarded to Manual A. Mendez at the U.S.P.T.O.

Regards,

Steve

Steve Brunell
Medical Device Engineering Consultant
1921 East Shoreview Drive
San Ramon, CA 94582
925-968-1817 Office
925-989-5178 Cell
brunells@sbcglobal.net

----- Original Message -----

From: Matt Scheele

To: Steve Brunell

Sent: Thursday, June 04, 2009 11:40 AM

Subject: RE: Supplemental Patent Declarations

Mr. Brunell,

Thank you for re-extending your offer, but we will again decline at this time. As fate would have it, the Patent Office allows for situations involving non-cooperative inventors, wherein a petition and fee can be submitted in the case of missing signatures to satisfy our filing requirements.

Cheers,

Matt Scheele

6/10/2009

Patent Attorney | ArthroCare Corporation
7500 Rialto Blvd. | Building II, Suite 100 | Austin, TX 78735
512.358.5925 (direct) | 512.284.3427 (mobile) | 512.391.3990 (fax)

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From: Steve Brunell [mailto:brunells@sbcglobal.net]
Sent: Thursday, June 04, 2009 12:52 PM
To: Matt Scheele
Subject: Re: Supplemental Patent Declarations

Mr. Scheele,

Please read the first sentence of section 3 (e) which states that "I agree to assist the Company, or its designee, at the Company's expense,.....".

I do not see anything unreasonable or unprofessional about a request for reasonable remuneration from Arthrocare for services and expenses to support ongoing patent maintenance and registrations.

Ms. Loding is a professional and seriously doubt if her feelings were hurt by my request.

Please send appropriate remuneration to the below address.

Regards,

Steve Brunell
Medical Device Engineering Consultant
1921 East Shoreview Drive
San Ramon, CA 94582
925-968-1817 Office
925-989-5178 Cell
brunells@sbcglobal.net

----- Original Message -----

From: Matt Scheele
To: brunells@sbcglobal.net
Sent: Thursday, June 04, 2009 9:42 AM
Subject: RE: Supplemental Patent Declarations

Dear Mr. Brunell,

While you may feel you have no financial incentive to do any work for ArthroCare, I remind you that you have an ongoing contractual obligation to execute and return the requested documents. I have attached for your reference the Proprietary Information Agreement signed by you on May 19, 1997. Please direct your attention to paragraph 3(e), stating in part that you "agree that my obligation to execute or cause to be executed, when it is in my power to do so, any such instrument or papers shall continue after the termination of this Agreement."

Ms. Loding has kindly requested that you sign and return a Supplemental Declaration needed for a patent application on which you are listed as a co-inventor and which you assigned to ArthroCare. Your response to her below was uncalled for and not in the spirit of professionalism that she is owed. You may more appropriately direct your past grievances with ArthroCare to those involved at the time. We ask again that you extend the courtesy of appropriate response by executing and returning the requested document at your

6/10/2009

earliest convenience.

Should you have any further concerns please feel to contact me.

Regards,

Matt Scheele
Patent Attorney | ArthroCare Corporation
7500 Rialto Blvd. | Building II, Suite 100 | Austin, TX 78735
512.358.5925 (direct) | 512.284.3427 (mobile) | 512.391.3990 (fax)

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From: Steve Brunell [mailto:brunells@sbcglobal.net]
Sent: Wednesday, June 03, 2009 4:33 PM
To: Angela Loding
Subject: Supplemental Patent Declarations

Hi Angela,

I received your Fed Ex packages last month and your voicemail yesterday.

I do not have any financial incentive to do any work for Arthrocare but would be happy to do so with appropriate remuneration.

My engineering consulting billing rate is \$250 per hour with a 2 hour minimum paid in advance by check to the below address if you would like me to read and return these documents.

Also, please do not send documents to me via Fed Ex with Signature Required as this creates inconvenience in having to pick up these documents at my local Fed Ex office if I am not at my home office upon delivery.

Give my regards to Jean Wolosko and Mike Baker.

Steve

Steve Brunell
Medical Device Engineering Consultant
1921 East Shoreview Drive
San Ramon, CA 94582
925-968-1817 Office
925-989-5178 Cell
brunells@sbcglobal.net

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6/10/2009

message, and delete the original message.
Thank you.

The information contained in this e-mail message, together with any attachments thereto, is intended only for the personal and confidential use of the addressee named above. The message and the attachments are or may be privileged or protected communication. If you are not the intended recipient of this message, or authorized to receive it for the intended recipient, you have received this message in error, and you are not to review, use, disseminate, distribute or copy this message, any attachments thereto, or their contents. If you have received this message in error, please immediately notify us by return e-mail message, and delete the original message.
Thank you.

6/10/2009

ARTHROCARE CORPORATION
PROPRIETARY INFORMATION AGREEMENT

As a condition of my employment with Arthrocare Corporation, its subsidiaries, affiliates, successors or assigns (together the "Company"), and in consideration of my employment with the Company and my receipt of the compensation now and hereafter paid to me by Company, I agree to the following:

1. **At-Will Employment.** I understand and acknowledge that my employment with the Company is for an unspecified duration and constitutes "at-will" employment. I acknowledge that this employment relationship may be terminated at any time, with or without good cause or for any or no cause, at the option either of the Company or myself, with or without notice.

2. **Confidential Information.**

(a) **Company Information.** I agree at all times during the term of my employment and thereafter, to hold in strictest confidence, and not to use, except for the benefit of the Company, or to disclose to any person, firm or corporation without written authorization of the Board of Directors of the Company, any Confidential Information of the Company. I understand that "Confidential Information" means any Company proprietary information, technical data, trade secrets or know-how, including, but not limited to, research, product plans, products, services, customer lists and customers (including, but not limited to, customers of the Company on whom I called or with whom I became acquainted during the term of my employment), markets, software, developments, inventions, processes, formulas, technology, designs, drawings, engineering, hardware configuration information, marketing, finances or other business information disclosed to me by the Company either directly or indirectly in writing, orally or by drawings or observation of parts or equipment. I further understand that Confidential Information does not include any of the foregoing items which has become publicly known and made generally available through no wrongful act of mine or of others who were under confidentiality obligations as to the item or items involved.

(b) **Former Employer Information.** I agree that I will not, during my employment with the Company, improperly use or disclose any proprietary information or trade secrets of any former or concurrent employer or other person or entity and that I will not bring onto the premises of the Company any unpublished document or proprietary information belonging to any such employer, person or entity unless consented to in writing by such employer, person or entity.

(c) **Third Party Information.** I recognize that the Company has received and in the future will receive from third parties their confidential or proprietary information subject to a duty on the Company's part to maintain the confidentiality of such information and to use it only for certain limited purposes. I agree to hold all such confidential or proprietary information in the strictest confidence and not to disclose it to any person, firm or corporation or to use it except as necessary in carrying out my work for the Company consistent with the Company's agreement with such third party.

3. **Inventions.**

(a) **Inventions Retained and Licensed.** I have attached hereto, as Exhibit A, a list describing all inventions, original works of authorship, developments, improvements, and trade secrets which were made by me prior to my employment with the Company (collectively referred to as "Prior Inventions"), which belong to me, which relate to the Company's proposed business, products or research and development, and which are not assigned to the Company hereunder; or, if no such list is attached, I represent that there are no such Prior Inventions. If in the course of my employment with the Company, I incorporate into a Company product, process or machine a Prior Invention owned by

me or in which I have an interest, the Company is hereby granted and shall have a nonexclusive, royalty-free, irrevocable, perpetual, worldwide license to make, have made, modify, use and sell such Prior Invention as part of or in connection with such product, process or machine.

(b) Assignment of Inventions. I agree that I will promptly make full written disclosure to the Company, will hold in trust for the sole right and benefit of the Company, and hereby assign to the Company, or its designee, all my right, title, and interest in and to any and all inventions, original works of authorship, developments, concepts, improvements or trade secrets, whether or not patentable or registrable under copyright or similar laws, which I may solely or jointly conceive or develop or reduce to practice, or cause to be conceived or developed or reduced to practice, during the period of time I am in the employ of the Company (collectively referred to as "Inventions"), except as provided in Section 3(f) below. I further acknowledge that all original works of authorship which are made by me (solely or jointly with others) within the scope of and during the period of my employment with the Company and which are protectible by copyright are "works made for hire," as that term is defined in the United States Copyright Act.

(c) Inventions Assigned to the United States. I agree to assign to the United States government all my right, title, and interest in and to any and all Inventions whenever such full title is required to be in the United States by a contract between the Company and the United States or any of its agencies.

(d) Maintenance of Records. I agree to keep and maintain adequate and current written records of all Inventions made by me (solely or jointly with others) during the term of my employment with the Company. The records will be in the form of notes, sketches, drawings, and any other format that may be specified by the Company. The records will be available to and remain the sole property of the Company at all times.

(e) Patent and Copyright Registrations. I agree to assist the Company, or its designee, at the Company's expense, in every proper way to secure the Company's rights in the Inventions and any copyrights, patents, mask work rights or other intellectual property rights relating thereto in any and all countries, including the disclosure to the Company of all pertinent information and data with respect thereto, the execution of all applications, specifications, oaths, assignments and all other instruments which the Company shall deem necessary in order to apply for and obtain such rights and in order to assign and convey to the Company, its successors, assigns and nominees the sole and exclusive rights, title and interest in and to such Inventions, and any copyrights, patents, mask work rights or other intellectual property rights relating thereto. I further agree that my obligation to execute or cause to be executed, when it is in my power to do so, any such instrument or papers shall continue after the termination of this Agreement. If the Company is unable because of my mental or physical incapacity or for any other reason to secure my signature to apply for or to pursue any application for any United States or foreign patents or copyright registrations covering Inventions or original works of authorship assigned to the Company as above, then I hereby irrevocably designate and appoint the Company and its duly authorized officers and agents as my agent and attorney in fact, to act for and in my behalf and stead to execute and file any such applications and to do all other lawfully permitted acts to further the prosecution and issuance of letters patent or copyright registrations thereon with the same legal force and effect as if executed by me.

(f) Exception to Assignments. I understand that the provisions of this Agreement requiring assignment of Inventions to the Company do not apply to any invention which qualifies fully under the provisions of California Labor Code Section 2870 (attached hereto as Exhibit B). I will advise the Company promptly in writing of any inventions that I believe meet the criteria in California Labor Code Section 2870 and not otherwise disclosed on Exhibit A.

4. Conflicting Employment. I agree that, during the term of my employment with the Company, I will not engage in any other employment, occupation, consulting or other business activity directly related to the business in which the Company is now involved or becomes involved during the term of my employment, nor will I engage in any other activities that conflict with my obligations to the Company.

5. Returning Company Documents. I agree that, at the time of leaving the employ of the Company, I will deliver to the Company (and will not keep in my possession, recreate or deliver to anyone else) any and all devices, records, data, notes, reports, proposals, lists, correspondence, specifications, drawings, blueprints, sketches, materials, equipment, other documents or property, or reproductions of any aforementioned items developed by me pursuant to my employment with the Company or otherwise belonging to the Company, its successors or assigns. In the event of the termination of my employment, I agree to sign and deliver the "Termination Certification" attached hereto as Exhibit C.

6. Notification to New Employer. In the event that I leave the employ of the Company, I hereby grant consent to notification by the Company to my new employer about my rights and obligations under this Agreement.

7. Solicitation of Employees. I agree that for a period of twelve (12) months immediately following the termination of my relationship with the Company for any reason, whether with or without cause, I shall not either directly or indirectly solicit, induce, recruit or encourage any of the Company's employees to leave their employment, or take away such employees, or attempt to solicit, induce, recruit, encourage or take away employees of the Company, either for myself or for any other person or entity.

8. Conflict of Interest Guidelines. I agree to diligently adhere to the Conflict of Interest Guidelines attached as Exhibit D hereto.

9. Representations. I agree to execute any proper oath or verify any proper document required to carry out the terms of this Agreement. I represent that my performance of all the terms of this Agreement will not breach any agreement to keep in confidence proprietary information acquired by me in confidence or in trust prior to my employment by the Company. I have not entered into, and I agree I will not enter into, any oral or written agreement in conflict herewith.

10. Arbitration and Equitable Relief.

(a) Arbitration. Except as provided in Section 10(b) below, I agree that any dispute or controversy arising out of or relating to any interpretation, construction, performance or breach of this Agreement, shall be settled by arbitration to be held in Santa Clara County, California, in accordance with the rules then in effect of the American Arbitration Association. The arbitrator may grant injunctions or other relief in such dispute or controversy. The decision of the arbitrator shall be final, conclusive and binding on the parties to the arbitration. Judgement may be entered on the arbitrator's decision in any court having jurisdiction. The Company and I shall each pay one-half of the costs and expenses of such arbitration, and each of us shall separately pay our counsel fees and expenses.

(b) Equitable Remedies. I agree that it would be impossible or inadequate to measure and calculate the Company's damages from any breach of the covenants set forth in Sections 2, 3, and 5 herein. Accordingly, I agree that if I breach any of such Sections, the Company will have available, in addition to any other right or remedy available, the right to obtain an injunction from a court of competent jurisdiction restraining such breach or threatened breach and to specific performance of any such provision of this Agreement. I further agree that no bond or other security shall be required in obtaining such equitable relief and I hereby consent to the issuance of such injunction and to the ordering of specific performance.

11. General Provisions

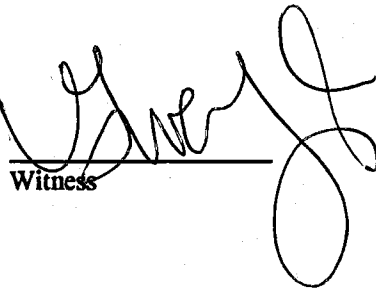
(a) Governing Law; Consent to Personal Jurisdiction. This Agreement will be governed by the laws of the State of California. I hereby expressly consent to the personal jurisdiction of the state and federal courts located in California for any lawsuit filed there against me by the Company arising from or relating to this Agreement.

(b) Entire Agreement. This Agreement sets forth the entire agreement and understanding between the Company and me relating to the subject matter herein and merges all prior discussions between us. No modification of or amendment to this Agreement, nor any waiver of any rights under this agreement, will be effective unless in writing signed by the party to be charged. Any subsequent change or changes in my duties, salary or compensation will not affect the validity or scope of this Agreement.

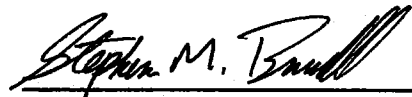
(c) Severability. If one or more of the provisions in this Agreement are deemed void by law, then the remaining provisions will continue in full force and effect.

(d) Successors and Assigns. This Agreement will be binding upon my heirs, executors, administrators and other legal representatives and will be for the benefit of the Company, its successors, and its assigns.

Date: 5/19/97



Witness



Signature

Stephen M. Brunell

Name of Employee (typed or printed)

EXHIBIT A

LIST OF PRIOR INVENTIONS
AND ORIGINAL WORKS OF AUTHORSHIP

Description	Title	Date	Identifying Number or Brief Description
① Composite Panel Helmet : Filed Application 1994, Status Unknown?			
② Infusion System Air Detection : Development Work 1996, Unknown if			
③ Core Tissue/Fire Laser : Development/Design Device For Percutaneous Myocardial Revascularization			Concept, 1997, Unknown if application filed at this time. application will be filed at this time.

___ No inventions or improvements

___ Additional Sheets Attached

Signature of Employee:

Stephen M. Brunell

Print Name of Employee:

Stephen M. Brunell

Date:

5/19/97

EXHIBIT B

CALIFORNIA LABOR CODE SECTION 2870

EMPLOYMENT AGREEMENTS; ASSIGNMENT OF RIGHTS

"(a) Any provision in an employment agreement which provides that an employee shall assign, or offer to assign, any of his or her rights in an invention to his or her employer shall not apply to an invention that the employee developed entirely on his or her own time without using the employer's equipment, supplies, facilities, or trade secret information except for those inventions that either:

(1) Relate at the time of conception or reduction to practice of the invention to the employer's business, or actual or demonstrably anticipated research or development of the employer.

(2) Result from any work performed by the employee for the employer.

(b) To the extent a provision in an employment agreement purports to require an employee to assign an invention otherwise excluded from being required to be assigned under subdivision (a), the provision is against the public policy of this state and is unenforceable."

EXHIBIT C

ARTHROCARE CORPORATION

TERMINATION CERTIFICATION

This is to certify that I do not have in my possession, nor have I failed to return, any devices, records, data, notes, reports, proposals, lists, correspondence, specifications, drawings, blueprints, sketches, materials, equipment, other documents or property, or reproductions of any aforementioned items belonging to Arthrocare Corporation, its subsidiaries, affiliates, successors or assigns (together, the "Company").

I further certify that I have complied with all the terms of the Company's Employment, Confidential Information and Invention Assignment Agreement signed by me, including the reporting of any inventions and original works of authorship (as defined therein), conceived or made by me (solely or jointly with others) covered by that agreement.

I further agree that, in compliance with the Employment, Confidential Information and Invention Assignment Agreement, I will preserve as confidential all trade secrets, confidential knowledge, data or other proprietary information relating to products, processes, know-how, designs, formulas, developmental or experimental work, computer programs, data bases, other original works of authorship, customer lists, business plans, financial information or other subject matter pertaining to any business of the Company or any of its employees, clients, consultants or licensees.

I further agree that for twelve (12) months from this date, I will not hire any employees of the Company and I will not solicit, induce, recruit or encourage any of the Company's employees to leave their employment.

Date: _____

(Employee's Signature)

(Type/Print Employee's Name)

EXHIBIT D

ARTHROCARE CORPORATION

CONFLICT OF INTEREST GUIDELINES

It is the policy of Arthrocare Corporation (the "Company") to conduct its affairs in strict compliance with the letter and spirit of the law and to adhere to the highest principles of business ethics. Accordingly, all officers, employees and independent contractors must avoid activities which are in conflict, or give the appearance of being in conflict, with these principles and with the interests of the Company. The following are potentially compromising situations which must be avoided. Any exceptions must be reported to the President and written approval for continuation must be obtained.

1. Revealing confidential information to outsiders or misusing confidential information. Unauthorized divulging of information is a violation of this policy whether or not for personal gain and whether or not harm to the Company is intended. (The Employment, Confidential Information and Invention Assignment Agreement elaborates on this principle and is a binding agreement.)
2. Accepting or offering substantial gifts, excessive entertainment, favors or payments which may be deemed to constitute undue influence or otherwise be improper or embarrassing to the Company.
3. Participating in civic or professional organizations that might involve divulging confidential information of the Company.
4. Initiating or approving personnel actions affecting reward or punishment of employees or applicants where there is a family relationship or is or appears to be a personal or social involvement.
5. Initiating or approving any form of personal or social harassment of employees.
6. Investing or holding outside directorships in suppliers, customers or competing companies, including financial speculation, where such investment or directorship might influence in any manner a decision or course of action of the Company.
7. Borrowing from or lending to employees, customers or suppliers.
8. Acquiring real estate of interest to the Company.
9. Improperly using or disclosing to the Company any proprietary information or trade secrets of any former or concurrent employer or other person or entity with whom obligations of confidentiality exist.
10. Unlawfully discussing prices, costs, customers, sales or markets with competing companies or their employees.
11. Making any unlawful agreements with distributors with respect to prices.
12. Improperly using or authorizing the use of any inventions which are the subject of patent claims of any other person or entity.
13. Engaging in any conduct which is not in the best interest of the Company.

Each officer, employee and independent contractor must take every necessary action to ensure compliance with these guidelines and to bring problem areas to the attention of higher management for review. Violations of this conflict of interest policy may result in discharge without warning.

3:ARTHROCARE CORPORATION C:\ANY:BRIAN E. SZYMCAK

**UNITED STATES PATENT AND TRADEMARK OFFICE**UNDER SECRETARY OF COMMERCE FOR INTELLECTUAL PROPERTY AND
DIRECTOR OF THE UNITED STATES PATENT AND TRADEMARK OFFICE

500772917A

FEBRUARY 05, 2009

PTAS

ARTHROCARE CORPORATION
BRIAN E. SZYMCAK
7500 RIALTO BLVD., BLDG. 2, STE. 100
AUSTIN, TX 78735UNITED STATES PATENT AND TRADEMARK OFFICE
NOTICE OF RECORDATION OF ASSIGNMENT DOCUMENTTHE ENCLOSED DOCUMENT HAS BEEN RECORDED BY THE ASSIGNMENT DIVISION OF
THE U.S. PATENT AND TRADEMARK OFFICE. A COMPLETE MICROFILM COPY IS
AVAILABLE AT THE ASSIGNMENT SEARCH ROOM ON THE REEL AND FRAME NUMBER
REFERENCED BELOW.PLEASE REVIEW ALL INFORMATION CONTAINED ON THIS NOTICE. THE
INFORMATION CONTAINED ON THIS RECORDATION NOTICE REFLECTS THE DATA
PRESENT IN THE PATENT AND TRADEMARK ASSIGNMENT SYSTEM. IF YOU SHOULD
FIND ANY ERRORS OR HAVE QUESTIONS CONCERNING THIS NOTICE, YOU MAY
CONTACT THE EMPLOYEE WHOSE NAME APPEARS ON THIS NOTICE AT 571-272-3350.
PLEASE SEND REQUEST FOR CORRECTION TO: U.S. PATENT AND TRADEMARK OFFICE,
MAIL STOP: ASSIGNMENT SERVICES BRANCH, P.O. BOX 1450, ALEXANDRIA, VA 22313.

RECORDATION DATE: 02/04/2009

REEL/FRAME: 022210/0265
NUMBER OF PAGES: 6BRIEF: ASSIGNMENT OF ASSIGNOR'S INTEREST (SEE DOCUMENT FOR DETAILS).
DOCKET NUMBER: CB-07-2

ASSIGNOR:

BAKER, MICHAEL A.

DOC DATE: 02/09/1999

ASSIGNOR:

BRUNELL, STEPHEN M.

DOC DATE: 02/11/1999

ASSIGNOR:

WOLOSZKO, JEAN

DOC DATE: 02/09/1999

ASSIGNOR:

UNDERWOOD, RONALD A.

DOC DATE: 02/12/1999

ASSIGNOR:

THAPLIYAL, HIRA V.

DOC DATE: 02/12/1999

ASSIGNOR:

EGGERS, PHILIP E.

DOC DATE: 02/09/1999

DOCKETED

FEB 06 2009

D:ARTHROCARE CORPORATION C:\ANY:BRIAN E. SZYMCAK

022210/0265 PAGE 2

ASSIGNEE:

ARTHROCARE CORPORATION
595 N. PASTORIA AVENUE
SUNNYVALE, CALIFORNIA 94086

SERIAL NUMBER: 09586295

FILING DATE: 06/02/2000

PATENT NUMBER:

ISSUE DATE:

TITLE: SYSTEM FOR ELECTROSURGICAL TISSUE TREATMENT IN THE PRESENCE OF
ELECTRICALLY CONDUCTIVE FLUID

ASSIGNMENT SERVICES BRANCH
PUBLIC RECORDS DIVISION

D:\ARTHROCARE CORPORATION CC \ANY:BRIAN E. SZYMCAK

PATENT ASSIGNMENT

Electronic Version v1.1
Stylesheet Version v1.1

02/04/2009
500772917

SUBMISSION TYPE:	NEW ASSIGNMENT														
NATURE OF CONVEYANCE:	ASSIGNMENT														
CONVEYING PARTY DATA															
<table border="1"><thead><tr><th>Name</th><th>Execution Date</th></tr></thead><tbody><tr><td>Michael A. Baker</td><td>02/09/1999</td></tr><tr><td>Stephen M. Brunell</td><td>02/11/1999</td></tr><tr><td>Jean Woloszko</td><td>02/09/1999</td></tr><tr><td>Ronald A. Underwood</td><td>02/12/1999</td></tr><tr><td>Hira V. Thapliyal</td><td>02/12/1999</td></tr><tr><td>Philip E. Eggers</td><td>02/09/1999</td></tr></tbody></table>	Name	Execution Date	Michael A. Baker	02/09/1999	Stephen M. Brunell	02/11/1999	Jean Woloszko	02/09/1999	Ronald A. Underwood	02/12/1999	Hira V. Thapliyal	02/12/1999	Philip E. Eggers	02/09/1999	
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RECEIVING PARTY DATA															
Name:	ArthroCare Corporation														
Street Address:	595 N. Pastoria Avenue														
City:	Sunnyvale														
State/Country:	CALIFORNIA														
Postal Code:	94086														
PROPERTY NUMBERS Total: 1															
<table border="1"><thead><tr><th>Property Type</th><th>Number</th></tr></thead><tbody><tr><td>Application Number:</td><td>09586295</td></tr></tbody></table>	Property Type	Number	Application Number:	09586295											
Property Type	Number														
Application Number:	09586295														
CORRESPONDENCE DATA															
Fax Number:	(512)391-3901														
<i>Correspondence will be sent via US Mail when the fax attempt is unsuccessful.</i>															
Phone:	512-391-3931														
Email:	angela.loding@arthrocare.com														
Correspondent Name:	ArthroCare Corporation														
Address Line 1:	Brian E. Szymczak														
Address Line 2:	7500 Rialto Blvd., Bldg. 2, Ste. 100														
Address Line 4:	Austin, TEXAS 78735														
ATTORNEY DOCKET NUMBER:	CB-07-2														

CH \$40.00 09586295

D:ARTHROCARE CORPORATION CL ANY:BRIAN E. SZYMCAK

NAME OF SUBMITTER:

Angela D. Loding

Total Attachments: 4

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source=CB-07-2_Assignment_09586295#page4.tif

ASSIGNMENT OF PATENT APPLICATION

JOINT

WHEREAS, **MICHAEL A. BAKER** of 145 Old La Honda Road, Woodside, California 94062, **STEPHEN M. BRUNELL** of 1915 Mt. Vernon Court, #5, Mountain View, California 94040, **JEAN WOLOSZKO** of 5492 Caminito Vista Lujo, San Diego, California 94040, **RONALD A. UNDERWOOD** of 2628 Sequoia Way, Belmont, California 94002, **HIRA V. THAPLIYAL** of 1192 Volti Lane, Los Altos, California 94024 and **PHILIP E. EGGERS** of 5366 Reserve Drive, Dublin, Ohio 43017 hereinafter referred to as "Assignors," are the inventors of the invention described and set forth in the below identified application for United States Letters Patent:

Title of the Invention: **SYSTEMS AND METHODS FOR ELECTROSURGICAL TISSUE TREATMENT IN THE PRESENCE OF ELECTRICALLY CONDUCTIVE FLUID**

Date(s) of execution of **Declaration**: _____

Filing date: _____ Application No.: _____; and

WHEREAS, **ARTHROCARE CORPORATION**, a Delaware corporation, located at 595 N. Pastoria Avenue, Sunnyvale, California 94086, hereinafter referred to as "Assignee," is desirous of acquiring an interest in the invention and application and in any Letters Patent and Registrations which may be granted on the same;

For good and valuable consideration, receipt of which is hereby acknowledged by Assignors, Assignors have assigned, and by these presents do assign to Assignee all right, title and interest in and to the invention and application and to all foreign counterparts (including patent, utility model and industrial designs), and in and to any Letters Patent and Registrations which may hereafter be granted on the same in the United States and all countries throughout the world, and to claim the priority from the application as provided by the Paris Convention. The right, title and interest is to be held and enjoyed by Assignee and Assignee's successors and assigns as fully and exclusively as it would have been held and enjoyed by Assignors had this assignment not been made, for the full term of any Letters Patent and Registrations which may be granted thereon, or of any division, renewal, continuation in whole or in part, substitution, conversion, reissue, prolongation or extension thereof.

Assignors further agree that they will, without charge to Assignee, but at Assignee's expense, (a) cooperate with Assignee in the prosecution of U.S. Patent applications and foreign counterparts on the invention and any improvements, (b) execute, verify, acknowledge and deliver all such further papers, including patent applications and instruments of transfer and (c) perform such other acts as Assignee lawfully may request to obtain or maintain Letters Patent and Registrations for the invention and improvements in any and all countries, and to vest title thereto in Assignee, or Assignee's successors and assigns.

IN TESTIMONY WHEREOF, Assignors have signed their names on the dates indicated.

Date: 2/9/99


MICHAEL A. BAKER

Date: 2/11/99


STEPHEN M. BRUNELL

Date: 2-9-99


JEAN WOŁOSZKO

Date: 2-12-99


RONALD A. UNDERWOOD

Date: 2-12-99


HIRA V. THAPLIYAL

Date: _____

PHILIP E. EGGERS

ASSIGNMENT OF PATENT APPLICATION

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Attorney Docket No. CB-7

indicated. IN TESTIMONY WHEREOF, Assignors have signed their names on the dates

Date: _____

MICHAEL A. BAKER

Date: _____

STEPHEN M. BRUNELL

Date: _____

JEAN WOLOSZKO

Date: _____

RONALD A. UNDERWOOD

Date: _____

HIRA V. THAPLIYAL

Date: Feb 9, 1999

PHILIP E. EGGERS